

O 121011Z MAR 07
FM AMEMBASSY BEIJING
TO SECSTATE WASHDC IMMEDIATE 5525
INFO IRAN COLLECTIVE
AMCONSUL SHENYANG
USMISSION USUN NEW YORK

S E C R E T BEIJING 001625

NOFORN

E.O. 12958: DECL: 03/12/2017

TAGS: [PREL](#) [PARM](#) [ETTC](#) [IR](#) [CH](#)

SUBJECT: IRAN SANCTIONS: FOLLOWING-UP ON MISSILE
PROLIFERATION CASES WITH CHINA

REF: A. STATE 28429

[1](#)B. 06 BEIJING 24237

Classified By: Deputy Political Minister Counselor
Robert Griffiths. Reasons 1.4 (b/d).

Summary

[1](#)1. (S) China appreciates the additional information provided by the United States about possible missile-related cooperation between Chinese companies and Iran, MFA Arms Control and Disarmament Department Missile Division Deputy Director Wang Daxue told Poloff on March 12 in response to delivery of Ref A demarche. China values its cooperation with the United States to stop Iran's missile program, including in the United Nations. Enforcement activity against LIMMT's Karl Lee is ongoing within China, Wang said, and China will provide a read-out when the investigation is completed. China needs to conduct further research with respect to the United States' allegations involving CPMIEC and Shanghai Technical By-Products. The information provided concerning Bellamax was old and provided no new basis for Chinese law enforcement actions, Wang claimed. End Summary.

[1](#)2. (S) Poloff met March 12 with MFA Arms Control Department official Wang Daxue to review ref A information concerning transfers from Chinese companies to Iranian entities involved in Iran's missile programs. After reviewing ref A materials in detail, Wang said China appreciates United States' efforts to provide new details regarding alleged cooperation between Chinese companies and Iran with respect to Iran's missile programs. China especially appreciates information about transfers that occurred after a new Ministry of Commerce export control order concerning graphite products went into effect in September 2006. China takes seriously the threat posed by Iran's WMD and missile-related programs and values cooperation with the United States on the issue, including in the United Nations, he said.

[1](#)3. (S) Poloff stressed to Wang the United States' and China's shared commitment to stop Iranian proliferation activities in bilateral and multilateral fora. He emphasized that the United States is providing information to facilitate cooperation and enforcement of China's own export control laws, as well as to warn about activity that might incur sanctions under American law. Poloff urged the MFA to promptly review the information, to work with law enforcement and licensing agencies to halt banned transfers by Chinese companies to Iran's missile program and to report to us the results of any Chinese investigations.

LIMMT and Dalian Sunny Industries

14. (S) China takes seriously American information about transfer to Iran of material by Dalian Sunny Industry (also known as LIMMT (Dalian) Metallurgy and Minerals Co. Ltd), Wang said, noting that the company has been the subject of bilateral discussions dating back to 2003. While he had no instructions on the topic, Wang noted informally that he understands enforcement action is pending against LIMMT and its official Karl Lee. The provision of information about LIMMT's activities with respect to graphite transfers to Iran is especially useful in light of China's September 2006 export control order on that topic. China will brief the United States when its investigation and law enforcement activity is completed, he said.

CPMIEC and Shanghai Technical By-Products

15. (S) Wang said he was not previously aware of the allegations concerning shipment of actuators for Iran's ballistic missiles by China Precision Machinery Import/Export Corporation (CPMIEC) and would convey the information to China's relevant experts for review. The allegations about Shanghai Technical By-Products were also new to Wang and he asked that American officials provide the company's name in Chinese. Poloff later telephoned Wang to provide the substance of ref B, a demarche concerning Shanghai

Technical By-Products that was delivered on December 1, 2006, to one of Wang's colleagues. (Note: Ref B and related materials did not contain the Chinese name for Shanghai Technical By-Products. End Note.)

Bellamax

16. (S) With respect to Bellamax, Wang said the information provided by the United States was not new and provided no basis for China to take law enforcement actions. He concluded by warning that further United States sanctions against Chinese companies could jeopardize the cooperative approach China has taken with respect to ongoing cases. Poloff emphasized that the United States' goal is to stop the proliferation of missile-related materials to Iran. The surest way for China to stop sanctions against its companies is to block all transfers of such material, he stressed.
RANDT

NNNN

End Cable Text